

NATIONAL CREDIT UNION SHARE INSURANCE FUND



**PRELIMINARY & UNAUDITED
FINANCIAL HIGHLIGHTS
March 31, 2018**

A handwritten signature in blue ink, appearing to read "Rendell L. Jones", is positioned below the title text.

**RENDELL L. JONES
CHIEF FINANCIAL OFFICER**

NATIONAL CREDIT UNION SHARE INSURANCE FUND

MANAGEMENT OVERVIEW

March 31, 2018

Balance Sheet

Insurance and Guarantee Program Liabilities Reserves are \$935.8 million as of March 31, 2018; \$821.0 million is for specific reserves for natural person credit unions, and \$114.8 million is for general reserves.

There is no Insurance and Guarantee Program Liability for the Corporate System Resolution Program (CSRP) as of March 31, 2018.

Statement of Net Cost

For the month ended March 31, 2018, the fund had a net loss of \$0.8 million. The fund recognized gross revenues of \$26.1 million and total operating expenses of \$17.4 million. The fund recognized an insurance loss expense of \$9.5 million during the month of March 2018.

Statement of Net Position

On September 28, 2017, the NCUA Board voted unanimously to close the Temporary Corporate Credit Union Stabilization Fund effective October 1, 2017, ahead of its sunset date of June 30, 2021. All remaining funds, property, and other assets of the Fund were distributed to the National Credit Union Share Insurance Fund, resulting in a \$2.6 billion increase in retained earnings in October 2017.

On February 15, 2018, the NCUA Board approved a \$735.7 million Share Insurance distribution, which should be paid in the form of a dividend during the third quarter of 2018.

NATIONAL CREDIT UNION SHARE INSURANCE FUND

BALANCE SHEETS

As of March 31, 2018 and 2017

(Dollars in thousands)

	<u>March 2018</u>	<u>March 2017</u>
ASSETS		
INTRAGOVERNMENTAL		
Fund Balance with Treasury	\$ 3,164	\$ 2,449
Investments, Net U.S. Treasury Securities	16,132,382	12,763,735
Accrued Interest Receivable - Investments	70,187	58,173
Accounts Receivable - Due from the National Credit Union Administration Operating Fund	-	2,068
Note Receivable - Note due from the National Credit Union Administration Operating Fund	7,375	8,716
Total Intragovernmental Assets	<u>16,213,108</u>	<u>12,835,141</u>
PUBLIC		
Accounts Receivable - Due from Credit Unions	179,281	316,464
Advances	1,105	-
Accounts Receivable - Guarantee Fee on NCUA Guarantee Notes	1,147	-
General Property, Plant and Equipment, Net	404	1,035
Other - Receivable from Asset Management Estates, Net - NPCU AMEs	15,652	51,257
Other - Receivable from Asset Management Estates, Net - Corporate AMEs	345,497	-
Total Public Assets	<u>543,086</u>	<u>368,756</u>
TOTAL ASSETS	<u>\$ 16,756,194</u>	<u>\$ 13,203,897</u>
LIABILITIES		
INTRAGOVERNMENTAL		
Accounts Payable - Due to the National Credit Union Administration Operating Fund	<u>\$ 900</u>	<u>\$ 4</u>
Total Intragovernmental Liabilities	<u>900</u>	<u>4</u>
PUBLIC		
Accounts Payable and Other Liabilities	71,171	25,893
Dividends to Insured Credit Unions Payable	735,679	-
Capital Lease Liability	-	121
Other - Insurance and Guarantee Program Liabilities (Reserves)	935,801	245,607
Other - Insurance and Guarantee Program Liabilities (CSRP)	-	-
Total Public Liabilities	<u>1,742,651</u>	<u>271,621</u>
TOTAL LIABILITIES	<u>1,743,551</u>	<u>271,625</u>
NET POSITION		
Contributed Capital	10,875,157	10,285,782
Cumulative Result of Operations	<u>4,137,486</u>	<u>2,646,490</u>
Total Net Position	<u>15,012,643</u>	<u>12,932,272</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 16,756,194</u>	<u>\$ 13,203,897</u>

The balances in the statement above are preliminary and unaudited.

NATIONAL CREDIT UNION SHARE INSURANCE FUND
STATEMENTS OF NET COST, INCLUDING NON-EXCHANGE REVENUES
For the Periods Ending March 31, 2018 and 2017
(Dollars in thousands)

	March 2018	Year-to-Date March 2018	Year-to-Date March 2017
GROSS COSTS			
OPERATING EXPENSES ⁽¹⁾			
Employee Pay	\$ 8,144	\$ 23,751	\$ 25,368
Employee Benefits	3,079	9,398	10,128
Travel	1,151	2,433	2,580
Rent, Communications and Utilities	382	665	502
Administrative Costs	934	2,147	1,556
Contracted Services	3,606	4,453	4,038
Training Expense	36	93	181
Leasing Expense	53	159	158
Other Insurance Expense	3	9	9
Total Operating Costs	17,388	43,108	44,520
INSURANCE LOSS EXPENSE	9,494	(4,247)	48,010
Total Gross Costs	26,882	38,861	92,530
LESS EXCHANGE REVENUES			
Interest Revenue on Note Receivable due from the National Credit Union Administration Operating Fund	(10)	(30)	(35)
Guarantee Fee Revenue - NCUA Guaranteed Notes	(1,556)	(4,558)	-
Other (Revenue) / Expense	(898)	(905)	(121)
Total Exchange Revenues	(2,464)	(5,493)	(156)
TOTAL NET COST/(INCOME) OF OPERATIONS	24,418	33,368	92,374
LESS NON-EXCHANGE REVENUES			
Investment Income	(23,653)	(66,507)	(50,283)
Gain on Sales of Investments	-	-	(132)
Total Non-Exchange Revenues	(23,653)	(66,507)	(50,415)
TOTAL NET COST/(INCOME) INCLUDING NON-EXCHANGE REVENUES	\$ 765	\$ (33,139)	\$ 41,959

⁽¹⁾ Share Insurance Fund operating expenses are an allocation of total NCUA operating expenses, as determined by the overhead transfer rate set by the Board of 61.5% and 67.7% for 2018 and 2017, respectively.

The balances in the statement above are preliminary and unaudited.

NATIONAL CREDIT UNION SHARE INSURANCE FUND

STATEMENTS OF NET POSITION

As of March 31, 2018 and 2017

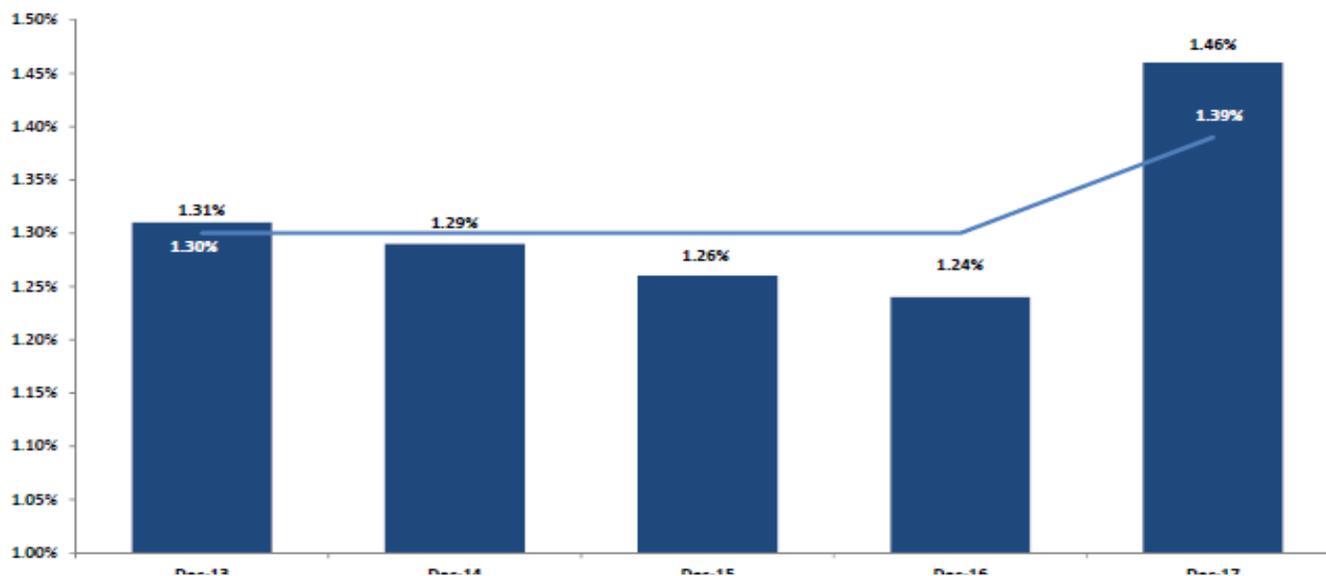
(Dollars in thousands)

	<u>March 2018</u>	<u>March 2017</u>
NET POSITION BREAKDOWN		
Credit Union Contributed Capital	\$ 10,875,157	\$ 10,285,782
Retained Earnings*	4,385,277	2,712,857
Total Net Position without Unrealized Gain/(Loss)	<u>15,260,434</u>	<u>12,998,639</u>
Unrealized Gain/(Loss) - Investments	<u>(247,791)</u>	<u>(66,367)</u>
NET POSITION	<u>\$ 15,012,643</u>	<u>\$ 12,932,272</u>

* In order to aid comparability between periods, the current period's Retained Earnings reflect a \$2.6 billion increase for the net assets transferred in from the Temporary Corporate Credit Union Stabilization Fund in October, 2017, and a \$735.7 million decrease for dividends payable to insured credit unions declared in the February 2018 Open Board Meeting.

NCUSIF Equity Ratio

CY 2013 – CY 2017



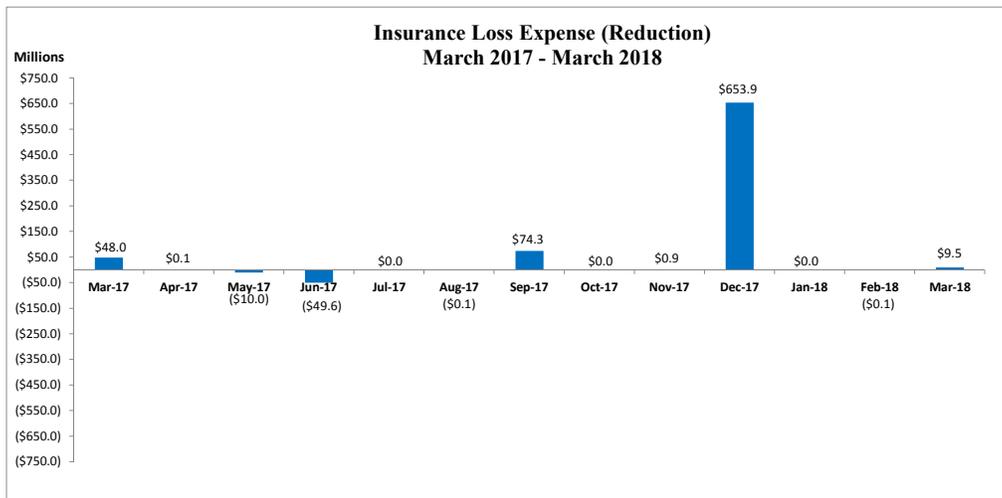
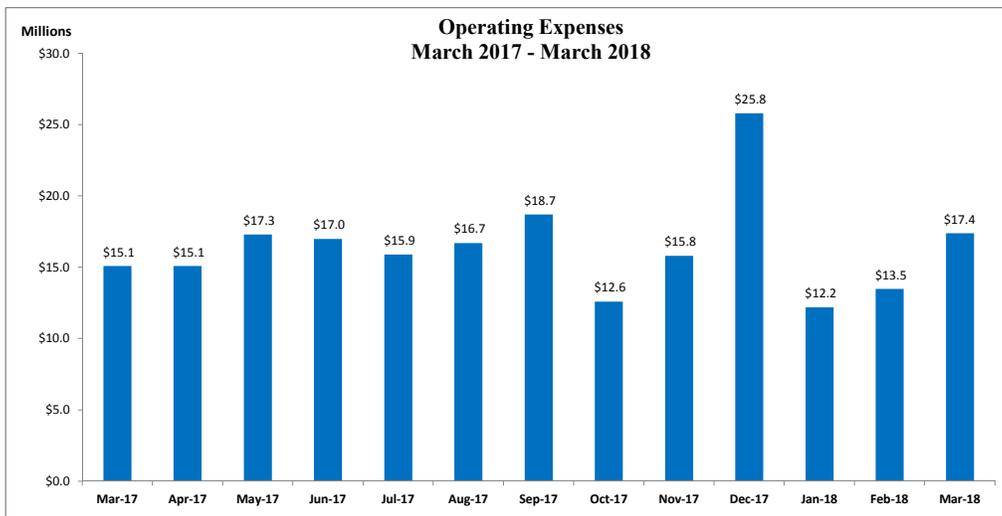
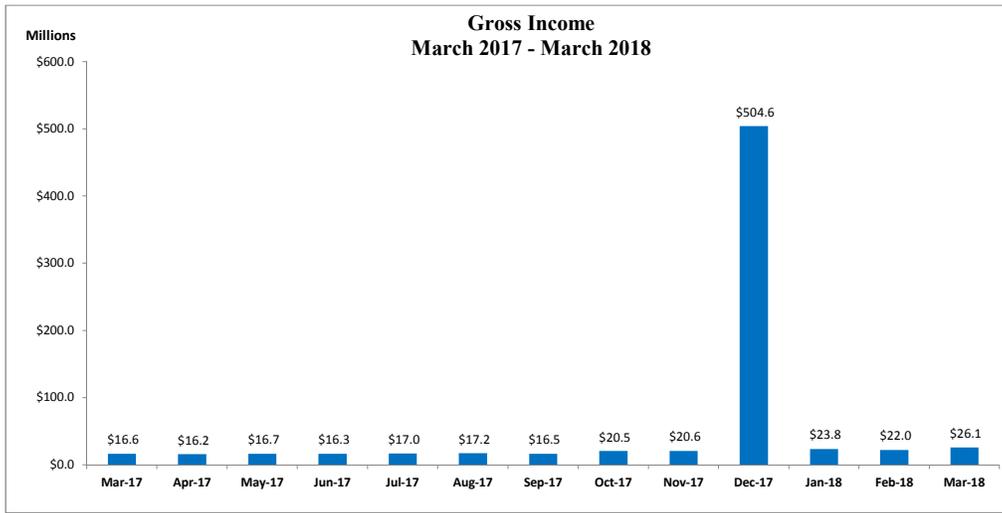
* The blue line represents the Normal Operating Level over the time period represented on the slide.

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NATIONAL CREDIT UNION SHARE INSURANCE FUND

STATISTICAL INFORMATION

March 31, 2018



The information provided in the supporting statement above is preliminary and unaudited.

INVESTMENT PORTFOLIO SUMMARY
March 31, 2018

I. INVESTMENT PORTFOLIO BALANCE AND MARKET VALUE (In Dollars)						
	Book Value	Market Value	Unrealized Gain or (Loss)	% Market to Book Value	Weighted Average Yield	
Daily Treasury Account	\$ 3,262,089,000	\$ 3,262,089,000	\$ -	100.00%	1.62%	
U.S. Treasury Notes	13,118,083,587	12,870,292,543	(247,791,044)	98.11%	1.72%	
Total	\$ 16,380,172,587	\$ 16,132,381,543	\$ (247,791,044)	98.49%	1.70%	
II. INVESTMENT PORTFOLIO SUMMARY						
	Last Month	Current Month	CY To Date			
Investment Yield	1.66%	1.70%	1.67%			
Investment Income	\$ 20,557,455	\$ 23,652,512	\$ 66,507,804			
Weighted Avg. Maturity in Days	973	939				
III. MONTHLY ACTIVITY						
Purchased	Type	Amount	Maturity	Yield		
3/29/2018	T-Note	\$ 200,000,000	12/15/2019	2.27%		
TOTAL		\$ 200,000,000				
IV. MATURITY SCHEDULE (par value in millions)						
TOTAL	\$	16,312				

Maturity Period	Maturing Investment Balance (Millions)
Overnight	3,262
1m-6m	1,150
6m-1yr	850
1yr-2yr	2,200
2yr-3yr	2,800
3yr-4yr	1,600
4yr-5yr	1,650
5yr-6yr	1,550
6yr-7yr	700
7yr-8yr	550
8yr-9yr	-
9yr-10yr	-

The information provided in the portfolio summary above is preliminary and unaudited.